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SWEDISH AUDIOVISUAL SERVICES 1990

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CONTENTS

| | Page |
|--|------|
| 1. Introduction | 1 |
| 2. Specification of revenues compared to the CPC | 2 |
| 3. Summary | 3 |
| 4. Structure | 4 |
| 5. Development | 6 |
| 6. Economic result | 7 |
| 7. Specification of revenues | 8 |
| 8. Categories of customers | 9 |
| 9. Enterprises expenditures | 10 |
| 10. Investments | 11 |
| Appendix | 12 |

1. INTRODUCTION

In 1985 Statistics Sweden started a special project aimed to improve and develop service statistics, which have been far less provided than for the manufacturing and agricultural industries.

The primary purpose was to create annual statistics of some important economic variables in order to improve the National Account System's calculations of the GNP. The secondary purpose was to give deeper and more detailed information on service activities in different industries every third or fifth year.

Every year we carry out two to four surveys based on mail questionnaires. From these surveys we get information on sales by product, type of expenditure, category of customers and investments. The total sample varies between 2 500 and 5 000 enterprises. The surveys include companies and sole proprietorships.

In 1988 we implemented the survey on Cultural and recreational activities for the first time. The first survey was a pilot survey concerning the accounting year of 1987. Now we have run out a survey for the accounting year of 1990 and this paper deals with the experiences of that survey. The survey started in May 1991. Therefore it was not possible to test the French proposal.

This report of Audiovisual services in Sweden is an extract from a larger report on the fields of culture and recreation which include audiovisual services, theatres, artists activities, gambling, sports etc.

The information has been collected through the questionnaire which is presented in the appendix. No other contacts have been established. The purpose was not to analyse the Audiovisual industries completely when the survey was carried through, but to make an overview of the total Cultural and recreational industry.

2. SPECIFICATION OF REVENUES COMPARED TO THE CPC

Unfortunately we have not been able to test the French proposal on a model survey for audiovisual services as we planned our survey in early 1991 and the questionnaires were sent out in May 1991. However, we can at least give our comments on the CPC.

When we designed the questionnaire we made our breakdown of the revenues and did not follow CPC as we wanted to have information on other kind of revenues not specified in the CPC. Type of revenues we wanted to specify were;

- sales of rights
- entrance fee
- licence fee

In detail we had the following breakdown and connections with CPC:

CPC 9611 Motion picture and video tape production and distribution services

- sales of rights on motion picture, television and video works
- production of motion picture, television and video works
- rental distribution of motion pictures and video
- sales of advertising space

CPC 9612 Motion picture projection services

- entrance fee

CPC 9613 Radio and television services

- licence fee and payment for cable network

Others

- sales of motion pictures and video
- sales of other goods
- leasing of machines

In table 6 one can see the breakdown of revenues for different kind of enterprises.

3. SUMMARY

- * In 1990 the audiovisual industry consisted of 618 enterprises which employed 9 200 people.
- * The turnover of the total industry was SEK 6.1 billion, the value added SEK 2.9 billion and the investments amounted to SEK 380 million.
- * Only 2 per cent of the enterprises had more than 50 employees. However, these accounted for 70 per cent of the total turnover.
- * Of the revenues, 70 per cent came from the households, 28 per cent from the enterprises and 2 per cent from the governmental sector.
- * The single most important revenue was licence fee which stood for 51 per cent of the total revenues.
- * The operating profit amounted to 1,5 per cent of the turnover.
- * Per employec, the turnover amounted to SEK 660 thousand, the value added to SEK 315 and the investments to SEK 39.
- * The turnover per enterprise was SEK 10 million. In average an enterprise employed 15 persons.
- * The average growth in number of employees amounted to 2.3 per cent between 1986 and 1990.

Table 1.
Comprehensive data of the Audiovisual industry 1990

| | Number of enterprises | Number of employees | Turnover ¹⁾ | Value added ¹⁾ | Net investments ¹⁾ |
|---|-----------------------|---------------------|------------------------|---------------------------|-------------------------------|
| Motion picture production | 263 | 751 | 593 | 193 | 52 |
| Film distribution | 341 | 1 376 | 1 244 | 327 | 17 |
| Cinemas | 8 | 1 157 | 985 | 281 | 42 |
| Program activities at radio and TV-stations | 6 | 5 881 | 3 270 | 2 098 | 264 |
| Totals | 618 | 9 204 | 6 114 | 2 899 | 376 |

1) Million SEK

4. STRUCTURE

The Audiovisual industry in Sweden consists of four sub-industries;

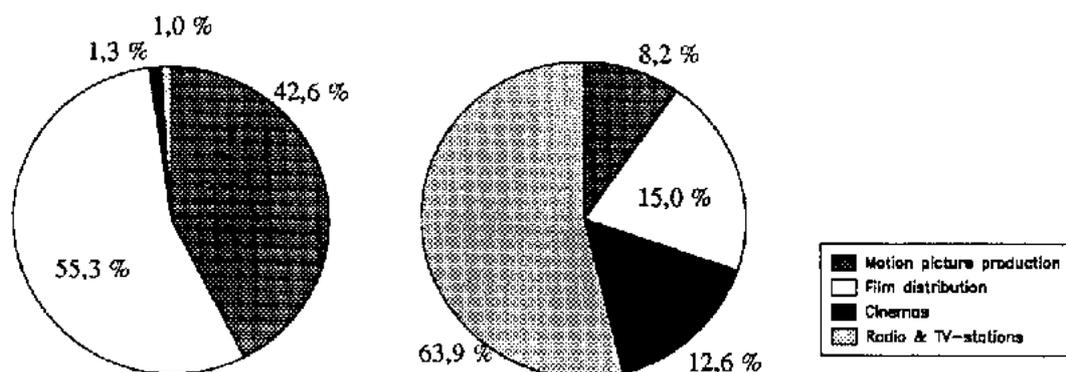
- *Motion picture production*
Includes production, developing, subtitling, translation etc of movie pictures or video.
- *Film distribution*
Includes distribution or rental of movie pictures and videos.
- *Cinemas*
Movie theatres
- *Program activities at radio and TV-stations*
Production of radio and TV-programs

The sample consisted of 52 enterprises from a population of about 620. All enterprises with more than 50 employees were included in the survey - 13 in number. The reply frequency amounted to 92 per cent.

The structure concerning number of enterprises and employees of the Audiovisual industry is illustrated in chart 1 and 2 and in table 2.

The total number of enterprises in the audiovisual industry 1990 amounted to 618 which employed about 9 200 people.

As noted the Motion picture production and Filmdistribution had a major dominance of enterprises in the segment of 1-9 employees. Together they accounted for 98 per cent of the total number of enterprises but only for 23 per cent of the total number of employees.



Cinemas which were only eight by number were in fact chains of many smaller cinemas which employed about 13 per cent of the total industry.

Program activities at radio and TV-stations are still heavily dominated by the big state-owned companies. But since the state monopoly broke up there is competition from other stations as well. Although only six companies accounted for nearly 64 per cent of the employees of the Audiovisual activity.

Table 2.
The sub-industries by number of enterprises and employment size class 1990

| | Number of enterprises | Employment size class | | |
|---|-----------------------|-----------------------|-------|-----|
| | | 1 - 9 | 10-49 | 50- |
| Motion picture production | 263 | 246 | 16 | 1 |
| Film distribution | 341 | 312 | 29 | - |
| Cinemas | 8 | - | 1 | 7 |
| Program activities at radio and TV-stations | 6 | - | 1 | 5 |
| Totals | 618 | 558 | 47 | 13 |

Table 3 shows the structure of employers and employees. Motion picture production and Film distribution had a great element of employers in the production, while there were no employers in the other two sub industries, Cinemas and Radio and TV-stations.

Table 3.
The occupation in the sub-industries by employers and employees 1990

| | Motion picture production | Film distribution | Cinemas | Program activities at radio and TV | Totals |
|----------------------|---------------------------------|----------------------|---------|---------------------------------------|--------|
| Employers | 47 | 24 | 0 | 0 | 7 |
| Employees | 53 | 76 | 100 | 100 | 93 |
| Total employment - % | 100 | 100 | 100 | 100 | 100 |
| - Number | 751 | 1 376 | 1 157 | 5 881 | 9 164 |

5. DEVELOPMENT

Table 4 shows the development of the number of employed between 1986 and 1990.

Motion picture production and Film distribution are expanding industries. This can be explained by the expansion of video-rental shops and growing commercial film production due to more TV-stations and that the prohibition of television advertising was abolished.

Measured by number of employees the Cinemas made major losses. The fact that people prefer to watch video might be an explanation to that.

Program activity in radio and TV-stations have only had a slight increase in number of employees, while the number of TV-channels rose heavily. However, the sharp competition might have resulted in higher productivity in this industry.

Table 4.
The development of the employment in the sub-industries between 1986 and 1990¹⁾

| | 1986 | 1987 | 1988 | 1989 | 1990 | Annual growth 1986-90 (%) |
|--|-------|-------|-------|--------|--------|------------------------------|
| Motion picture production | 860 | 936 | 1 130 | 1 286 | 1 400 | 13,0 |
| Film distribution | 589 | 682 | 818 | 1 077 | 1 071 | 16,1 |
| Cinemas | 2 020 | 1 829 | 1 762 | 1 771 | 1 677 | -4,5 |
| Program activities at Radio and TV-stations | 6 094 | 6 112 | 6 126 | 6 149 | 6 308 | 0,9 |
| Totals | 9 563 | 9 559 | 9 836 | 10 283 | 10 456 | 2,3 |

1) The number of employees in this table comes from The Business Register (CFAR). The figures do not correspond exactly to the information about number of employees in table 1, since this report does not include small enterprises with a turnover of less than SEK 200 000.

6. ECONOMIC RESULTS

The total turnover of the Audiovisual industry amounted to approximately SEK 6.1 billion. The distribution by categories is illustrated in chart 3.

The average operating profit was 1.5 per cent. However, the radio and TV-stations reported a minus of 2 per cent, which lowered the average of the industry. The Motion picture production and Film distribution reported an operating profit of more than 5 per cent (see table 5).

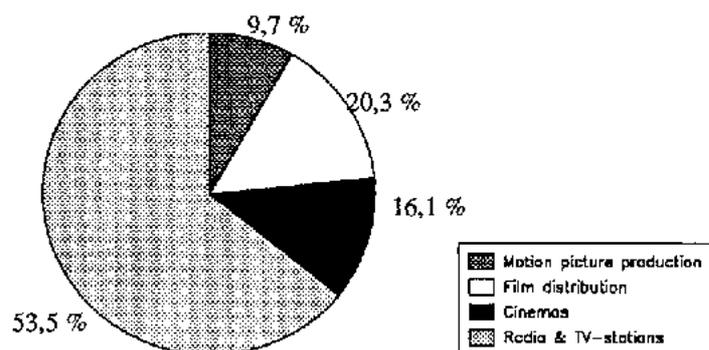


Chart 3.
The turnover by sub-industries 1990

The value added per employee was considerably higher in the Radio and TV-station category than in the other categories.

In the total industry the net investment per employee amounted to SEK 39 thousand. The Radio and TV-stations and Motion picture production are the categories which had the highest investments per employee, probably due to the structure being more capital intensive.

Table 5.
Economical data by sub-industries 1990

| | Turnover (SEK mill) | Operating profit % | Value added/ number of employees (thousand SEK) | Net investments/ number of employees (thousand SEK) |
|--|------------------------|-----------------------|---|---|
| Motion picture production | 593 | 5,6 | 257 | 48 |
| Film distribution | 1 244 | 5,9 | 238 | 12 |
| Cinemas | 985 | 3,1 | 243 | 40 |
| Program activities at radio and TV-stations | 3 270 | -2,0 | 357 | 45 |
| Totals | 6 114 | 1,5 | 315 | 39 |

7. SPECIFICATION OF REVENUES

Table 6.
Categories of revenues by sub-industries 1990

| | Motion picture production | Film distribution | Cinemas | Program activities at radio and TV | Totals |
|--|---------------------------------|----------------------|---------|---------------------------------------|--------|
| Sales of rights on motion picture, television and video works | 17 | 4 | 4 | 2 | 4 |
| Revenues from production of motion picture, television and video works | 45 | - | 1 | - | 5 |
| Revenues from entrances to movie theatres | - | - | 66 | 0 | 7 |
| Revenues from rental distribution of motion pictures and video | 0 | 72 | 16 | - | 18 |
| Revenues from sales of motion pictures and video | 0 | 5 | 1 | - | 1 |
| Licence fee and payment for cable network | - | - | - | 91 | 51 |
| Revenues from sales of advertising space | - | 0 | 6 | 1 | 1 |
| Revenues from other services | 21 | 9 | 1 | 3 | 6 |
| Revenues from leasing of machines | 17 | 1 | - | - | 3 |
| Revenues from sales of goods | - | 5 | 2 | - | 1 |
| Other revenues | 0 | 4 | 3 | 2 | 2 |
| Total revenues - % | 100 | 100 | 100 | 100 | 100 |
| - SEK million | 593 | 1 224 | 985 | 3 270 | 6 114 |

The single most important revenue is the licence fee which accounted for more than 50 per cent of the Audiovisual industry. These revenues came from Program activities at radio and TV. The distribution of revenues between radio and TV was approximately 40/60 per cent.

The second most important revenue was the rental distribution of motion pictures and video, mostly from video rental shops - 18 per cent of the total revenues. The third largest revenue came from movie theatre entrances which accounted for 7 per cent.

Together the three categories above accounted for 76 per cent of the audiovisual industry.

8. CATEGORIES OF CUSTOMERS

Table 7 shows different kinds of categories of customers. Not suprisingly the Motion picture production mainly had enterprises and no households as customers.

The customers of Film distribution were almost equally allocated by households and enterprises. Films distributed to enterprises are such as instruction films etc.

The Cinemas got 18 per cent of their revenues from enterprises. Most of the revenues were from the Film distribution. Sales of advertising space was also a large part.

Nine per cent of the revenues in Program activities of Radio and TV did not come from households and contained different kinds of services. Revenues from advertisement were still a small part, which only accounted for one per cent of the total revenues in this sub industry.

Table 7.
Categories of customers by sub-industries 1990

| | Motion picture production | Film distribution | Cinemas | Program activities at radio and TV | Totals |
|----------------------------|---------------------------------|----------------------|---------|---------------------------------------|--------|
| Households/private persons | 0 | 49 | 82 | 91 | 70 |
| Enterprises | 92 | 50 | 18 | 8 | 28 |
| Government and authorities | 8 | 1 | 0 | 1 | 2 |
| Total expenditures - % | 100 | 100 | 100 | 100 | 100 |
| - SEK million | 593 | 1 224 | 985 | 3 270 | 6 114 |

9. ENTERPRISES EXPENDITURE

In table 8 different kinds of expenditure categories are presented. The labour costs dominated heavily in Film distribution and in Radio and TV. Purchase of primary products/consumable was the largest expenditure in Motion picture production.

Purchase of services was an important part of the expenditure in Cinemas and Motion picture production. Other costs, including rents i.e, was the largest single expenditure for Cinemas.

Table 8.
Categories of costs by sub-industries 1990.

| | Motion picture production | Film distribution | Cinemas | Program activities at radio and TV | Totals |
|---|---------------------------------|----------------------|---------|---------------------------------------|--------|
| Labour costs | 27 | 52 | 25 | 53 | 40 |
| Purchase of primary products/ consumable | 35 | 11 | 4 | 11 | 17 |
| Purchase of services | 18 | 7 | 16 | 7 | 8 |
| Other costs | 20 | 29 | 54 | 29 | 35 |
| Total expenditures - % | 100 | 100 | 100 | 100 | 100 |
| - SEK million | 560 | 1 171 | 954 | 3 337 | 6 022 |

10. INVESTMENTS

The net investments amounted to SEK 376 million in 1990 for the total industry, see table 9. The investments in machinery accounted for the largest part in all sub-industries, especially in Motion picture production and in Film distribution.

Investments in new buildings and constructions were almost as high as for machinery for the Cinemas and a significant investment part for Radio and TV.

Investments in education of the staff were only of some importance to Radio and TV. The same applied to investments in new leasing contracts.

Sales of machinery, inventories etc, amounted to only one per cent of the gross investments.

Table 9.
The investments by sub-industries 1990.

| | Motion picture production | Film distribution | Cinemas | Program activities at radio and TV | Totals |
|--|---------------------------------|----------------------|------------|---------------------------------------|-------------|
| Expenditure for education of the staff | 1 | 3 | 0 | 7 | 5 |
| New buildings and constructions | 9 | 10 | 46 | 25 | 24 |
| Machinery, inventories, motor vehicles (gross) | 89 | 83 | 54 | 59 | 64 |
| Value of new leasing contracts | 1 | 4 | - | 9 | 7 |
| Gross investments (SEK million) | 100 (53,6) | 100 (17,7) | 100 (42,4) | 100 (267,3) | 100 (381,0) |
| Sales of machinery, inventories, motorvehicles | 3 | 2 | 0 | 1 | 1 |
| Net investments (SEK million) | 97 (51,8) | 98 (17,3) | 100 (42,1) | 99 (264,3) | 99 (375,7) |

The data reported are secrecy safeguarded according to the law of secrecy, chapter 9, 4§ (SFS 1980:100)

**SERVICE STATISTICS
1990**

Returned to the SCB
latest the 14th of June 1991

Name of the survey
F/SE 941

Consultation has been made with The Delegation for Enterprises Reporting.

Activity according to Statistic Sweden's Business Register

AUDIOVISUAL ACTIVITIES

ACTIVITY OF THE ENTERPRISE (Give a detailed description of kind of activity)

| | |
|--|--|
| | |
|--|--|

ENTERPRISES REVENUE 1990

| | SCB code | 1 000 SEK |
|--------------------|----------|-----------|
| Total revenue..... | 01 | |

State exactly period for the figures given

| Year | Month | Year | Month |
|------|-------|------|-------|
| | | | |

SPLIT UP OF REVENUE 1990

| | SCB code | 1 000 SEK |
|---|-----------|-----------|
| Sales of rights on motion picture, television and video works..... | 02 | |
| Revenues from production of motion picture, television and video works..... | 03 | |
| Revenues from entrances to movie theatres..... | 04 | |
| Revenues from rental distribution of motion pictures and video..... | 05 | |
| Revenues from sales of motion pictures and video..... | 06 | |
| Licence fee and payment for cable network..... | 07 | |
| Revenues from sales of advertising space..... | 08 | |
| Revenues from other services (please specify) | 09 | |
| Revenues from leasing of machines (also leasing of TV-equipment) | 10 | |
| Revenues from sales of goods (i.e from sweet-stall)..... | 11 | |
| Other revenues | 12 | |
| TOTAL revenues | 20 | |

Directions about the basic account (BAS 90) for revenues, costs and investments can be found in the instructions.

Data about the enterprises revenues can be collected from the closing of the books 1990. Do not include the financial and the extraordinary revenues, VAT or subsidy from the public sector. However, rent, tenancy and provision will be included.

The data given refer to the enterprise, not to possible combine.

The information given may be **estimated**.

←---- Here accounts for revenues from i.e developing, subtitling or translation of movie picture or video.

←---- Other revenues include rent, tenancy, licence, royalties, insurance repayment etc (notice account 38, BAS 90)

ENTERPRISES EXPENDITURE 1990

| | SCB code | 1 000 SEK |
|---|------------|-----------|
| Labour costs (wages + social fees)..... | 22 | |
| Purchase of primary products/consumable supplies..... | 23 | |
| Purchase of services..... | 24 | |
| Other costs..... | 25 | |
| TOTAL expenditure | 101 | |

----- Do not include the costs for financial and extraordinary costs, depreciation, VAT or discounts.

The breakdown can be made in per cent of the total expenditure. However, give the total expenditure in 1 000 SEK.

REVENUES SPLIT UP ON CATEGORIES OF CUSTOMERS 1990

| | SCB code | 1 000 SEK |
|---------------------------------------|----------|-------------|
| Household/private persons..... | 24 | |
| Enterprises..... | 25 | |
| Government and local authorities..... | 26 | |
| TOTAL | | 100% |

The information given may be estimated.

INVESTMENTS 1990

| | SCB code | 1 000 SEK |
|---|----------|-----------|
| Expenditure for education of the staff..... | 33 | |
| New buildings and new constructions..... | 34 | |
| Machinery, inventories, motor vehicles (gross)..... | 35 | |
| Sales of machinery, inventories, motorvehicles..... | 36 | |
| Value of new contracts from leasing of machinery, inventories, motorvehicles..... | 36 | |

----- The costs according to account 581 (BAS 90) i.e. acclimation, further education etc and fees for external courses, boarding costs for internal arranged courses and travelling expenses in connection with education etc.

----- State the cost price according to leasing contract. The data will refer to contracts started during the year.

EMPLOYMENT 1990

| | SCB code | Number of employed (annual account) |
|----------------|----------|-------------------------------------|
| Employers..... | 102 | |
| Employees..... | 103 | |

----- As employers counts owner of close company, private firm, trading company etc and member of a family who work permanent in the company without being employed.

COMMENTS

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|--|
| |
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| | |
|--------------------------------|------------------|
| Signature of authorized person | Telephone Number |
|--------------------------------|------------------|